

CONTRACT #11
RFS # N/A

University of Tennessee
Health Science Center

VENDOR:
UT Medical Group, Inc.



THE UNIVERSITY of TENNESSEE

Vice President for Administration and Finance

711 Andy Holt Tower
Knoxville, TN 37996-0174
Phone: (865) 974-2243
Fax: (865) 974-1324

November 6, 2006

Mr. Jim White
Executive Director
Fiscal Review Committee
320 Sixth Avenue, North – 8th Floor
Nashville, TN 37243-0057

Dear Mr. White:

The University of Tennessee is submitting for the committee's review a non-competitively bid contract with the University of Tennessee Medical Group (UTMG) for telephone operator services.

UTMG uses the same telephone system as the UT Health Science Center and supports a 24/7 call center service. The UT Health Science Center (UTHSC) has contracted annually with UTMG since July 1, 2003 for telephone operator service. The UTHSC is currently working to bring this service back in-house. The proposed contract of \$54,901.56 is for the period July 1, 2006 through January 1, 2007.

Although this particular contract would not ordinarily meet the committee's review criteria, the UTHSC has previously contracted with the UTMG for these services since FY 2004 at a total cost of \$374,809.68. Because the previous years' contracts, as is the contract now submitted for your review, were annual contracts we failed to note the need for the committee's review. Based on information obtained at the August 24, 2006 meeting, we are in the process of reviewing previous contracts to identify those on-going services that fall under the review guidelines.

If you have questions or need additional information, please let me know.

Respectfully,

Sylvia Shannon Davis
Vice President for Administration and Finance

c: Dr. John D. Petersen
Mr. Anthony Ferrara
Mr. Anthony Haynes
Dr. William Owen

CONTRACT SUMMARY SHEET

021406

RFS #				Contract #			
Need to put UT's Tracking # Here				N/A			
State Agency				State Agency Division			
University of Tennessee				UT Health Science Center			
Contractor Name				Contractor ID# (FEIN or SSN)			
UT Medical Group, Inc.				<input type="checkbox"/> C- or <input type="checkbox"/> V- 62-1162482			
Service Description							
Acquire telephone operator service							
Contract BEGIN Date		Contract END Date		Subrecipient or Vendor?		CFDA #	
July 1, 2006		January 1, 2007		Vendor		N/A	
Mark Each TRUE Statement							
<input type="checkbox"/> N/A Contractor is on STARS				<input type="checkbox"/> Contractor's Form W-9 is on file in Accounts			
Allotment Code		Cost Center		Object Code		Fund	
332.30		N/A		N/A		N/A	
Funding Grant Code		Funding Subgrant Code					
N/A		N/A					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount		
2007				\$54,901.56	\$ 54,901.56		
					\$ -		
					\$ -		
					\$ -		
					\$ -		
					\$ -		
TOTAL	\$ -	\$ -	\$ -	\$ 54,901.56	\$ 54,901.56		
— COMPLETE FOR AMENDMENTS ONLY —				State Agency Fiscal Contact & Telephone #			
FY	Base Contract & Prior Amendments	THIS Amendment ONLY					
2004	\$ 103,500.00		Sylvia Davis 865-974-2243				
2005	\$ 106,605.00		State Agency Budget Officer Approval				
2006	\$ 109,803.12						
2007	\$ 54,901.56		Sylvia Davis, VP Administration and Finance				
			Funding Certification (certification, required by T.C.A., § 9-4-5119, that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)				
TOTAL	\$ 374,809.68	\$ -					
End Date							
Contractor Ownership (complete only for base contracts with contract # prefix: FA or GR) N/A							
<input type="checkbox"/> African American	<input type="checkbox"/> Person w/ Disability	<input type="checkbox"/> Hispanic	<input type="checkbox"/> Small Business	<input type="checkbox"/> NOT disadvantaged			
<input type="checkbox"/> Asian	<input type="checkbox"/> Female	<input type="checkbox"/> Native American	<input type="checkbox"/> OTHER minority/disadvantaged—				
Contractor Selection Method (complete for ALL base contracts— N/A to amendments or delegated authorities)							
<input type="checkbox"/> RFP	<input type="checkbox"/> Competitive Negotiation	<input type="checkbox"/> Alternative Competitive Method					
<input checked="" type="checkbox"/> Non-Competitive Negotiation	<input type="checkbox"/> Negotiation w/ Government (eg, ID, GG, GU)	<input type="checkbox"/> Other					
Procurement Process Summary (complete for Alternative Method, Competitive Negotiation, Non-Competitive Negotiation, OR Other)							
<p>The UT Health Science Center (UTHSC) and the UT Medical Group (UTMG) are served by a single telephone system managed by the university. UTMG operates a 24/7 call center and the university has contracted with UTMG to provide answering service for specifically identified campus numbers.</p>							

**THE UNIVERSITY OF TENNESSEE
REQUEST: NON-COMPETITIVE CONTRACT**

APPROVED:	
<div style="border-top: 1px solid black; width: 100%; margin-bottom: 5px;"></div> UT System Office Approval	<div style="border-top: 1px solid black; width: 100%; margin-bottom: 5px;"></div> Date

Each of the request items below indicates specific information that must be individually detailed or addressed as required. A request cannot be considered if information provided is incomplete, non-responsive, or does not clearly address each of the requirements individually as required.

1) UT Tracking Number			
2) Campus/Institute Name	The University of Tennessee Health Science Center		
3) Short Description:	Provide telephone operator services		
4) Proposed Vendor:	Name:	UT Medical Group, Inc.	
	Vendor Number:		
	Vendor ID:	62-1162482	
5) Contract Start Date:			7/1/06
6) Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised :			1/1/07
7) Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised :	\$54,901.56 for this contract. Previous annual contracts in place beginning July 1, 2003 which brings the total maximum expenditure to \$374,809.68		
8) Approval Criteria : (select one)	<input type="checkbox"/>	use of Non-Competitive Negotiation is in the best interest of the university	
	<input checked="" type="checkbox"/>	only one uniquely qualified service provider able to provide the service	
9) Detailed Description of Service to be Acquired :	The UT Health Science Center (UTHSC) and the UT Medical Group (UTMG) are served by a single telephone system managed by the university. UTMG operates a 24/7 call center and the university has contracted with UTMG to provide answering service for specifically identified campus numbers.		
10) Explanation of the Need for or Requirement Placed on the Procuring Agency to Acquire the Service :	The UTHSC does not currently have the personnel needed to provide this service but is in the process of making arrangements to bring this service in-house.		

11) Explanation of Whether the Procuring Agency Bought the Service in the Past, & if so, What Procurement Method It Used :	
The UTHSC entered into a non-competitive contract effective July 1, 2003 for telephone operator services.	
12) Name & Address of the Proposed Vendor/Contractor(s): (not required if proposed contractor is a state education institution)	
UT Medical Group, Inc., 1211 Union Avenue, Suite 340, Memphis, TN 38104	
13) Evidence of the Proposed Vendor/Contractor's Experience and Length of Experience Providing the Service :	
The UTHSC has contracted with UTMG since July 1, 2003 for this service.	
14) Documentation of Office for Information Resources Endorsement : (required <u>only</u> if the subject service involves information technology)	N/A
15) Documentation of Department of Personnel Endorsement : (required <u>only</u> if the subject service involves training for state employees)	N/A
16) Documentation of State Architect Endorsement : (required only if the subject service involves construction or real property related services)	N/A
17) Description of Procuring Agency Efforts to Identify Reasonable, Competitive, Procurement Alternatives :	
UTMG is part of the UTHSC telephone systems and operates its own telephone call center which provides them the ability to provide this service for the UTHSC campus.	
18) Justification of Why the University Should Use Non-Competitive Negotiation Rather Than a Competitive Process: (Being the "only known" or "best" service provider to perform the service as desired will not be deemed adequate justification.)	
UTMG is the only other entity part of the UTHSC telephone system that provides 24/7 operator service.	

THE UNIVERSITY OF TENNESSEE

CONTRACT

THIS CONTRACT documents the agreement between The University of Tennessee (hereinafter University), and UT Medical Group, Inc. (hereinafter Contractor).

This Contract consists of this cover page and the University's Standard Terms and Conditions (on reverse). The terms contained on this cover page and the University's Standard Terms and Conditions shall prevail over those of any attachment unless otherwise stated under "Other Terms" below.

Contractor will provide the following: Central telephone operator services to University at Contractor's call center located at 1910 Nonconnah Boulevard, Memphis, Tennessee 38132. Such services shall be performed during regular business hours, defined as 8:00 a.m. to 5:00 p.m., Monday through Friday.

The period of performance under this Contract is from July 1, 2006 through January 1, 2007. Either party may terminate this Contract upon thirty (30) days prior written notice to the other party. However, in the event University terminates this Contract, Contractor shall be entitled to receive equitable compensation for authorized work completed as of the termination date.

The University will compensate Contractor in the amount of \$ 9,150.26 per month. Such compensation shall be payable on or about the fifteenth (15th) of each month for the prior month's services. The parties agree to renegotiate the compensation identified in this Contract in the event Contractor's costs in providing services either increase or decrease.

University's maximum annual liability under this Contract is \$ 54,901.56.

Other terms: Payments shall be sent to Accounts Receivable, UT Medical Group, Inc., 70 North Pauline Street, Memphis, Tennessee 38105.

In witness of their acceptance of the terms of this agreement, the parties have had this Contract executed by their duly authorized representatives.

CONTRACTOR:

By: _____
Richard O. Baer
Chief Operating Officer

66 N. Pauline, Suite 101
Address
(901) 448-6936
Telephone Number

62-1162462
SSN or Fed. Id. No.

Date

UNIVERSITY:

Department Name

Responsible Account

Administrative Signature (optional)

Authorized Signature

Date

STANDARD TERMS AND CONDITIONS

1. University is not bound by this Contract until it is approved by the appropriate University official(s) indicated on the signature page of this Contract.
2. Contract may be modified only by a written amendment, which has been executed and approved by the appropriate parties as indicated on the signature page of this Contract.
3. Contractor shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the University.
4. Unless otherwise indicated of the reverse, if this Contract provides for reimbursement for travel, meals or lodging such reimbursements must be made in accordance with University travel policies.
5. Contractor warrants that no part of the total Contract amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as officer, agent, employee, subcontractor, or consultant to Contractor in connection with any work contemplated or performed relative to this Contract, and that no employee or official of the State of Tennessee holds a controlling interest in the Contractor. If Contractor is an individual, the Contractor certifies that he/she is not presently employed by University or any other agency or institution of the State of Tennessee; that he/she has not retired from or terminated such employment within the past six months; and that he/she will not be so employed during the term of this Contract.
6. Contractor shall maintain documentation for all charges against University under this Contract. The books, records and documents of Contractor, insofar as they relate to work performed or money received under this Contract, shall be maintained for a period of three (3) full years from the date of the final payment, and shall be subject to audit, at any reasonable time and upon reasonable notice, by the University or the Comptroller of the Treasury, or their duly appointed representatives. These records shall be maintained in accordance with generally accepted accounting principles.
7. No person on the grounds of disability, age, race, color, religion, sex, national origin, veteran status or any other classification protected by Federal and/or Tennessee State constitutional and/or statutory law shall be excluded from participation in, or be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract. The Contractor shall, upon request, show proof of such non-discrimination, and shall post in conspicuous places, available to all employees and applicants, notice of non-discrimination.
8. Contractor, being an independent contractor, agrees to carry adequate public liability and other appropriate forms of insurance, and to pay all taxes incident to this Contract.
9. Contractor shall comply with all applicable Federal and State laws and regulations in the performance of this Contract.
10. This Contract shall be governed by the laws of the State of Tennessee, which provide that the University has liability coverage solely under the terms and limits of the Tennessee Claims Commission Act.
11. Contractor shall avoid at all times any conflict of interests between his/her duties and responsibilities as a Contractor and his/her interests outside the scope of any current or future Contracts. The following principles define the general parameters of a conflict of interests, prohibited by the University:
 - A. A Contractor's outside interests shall not interfere with or compromise his/her judgment and objectivity with respect to his/her duties and responsibilities to the University.
 - B. A Contractor shall not make or influence University decisions or use University resources in a manner that results in:
 - Financial gain outside any current or future Contracts for either Contractor or his/her relatives or
 - Unfair advantage to or favored treatment for a third party, outside the University.
 - C. A Contractor's outside financial interests shall not affect the design, conduct, or reporting of research.

Contractor certifies that he/she has no conflicts of interest and has disclosed in writing the following:

 - A. Any partners or employees of Contractor who are also employees of University.
 - B. Any relatives of Contractor's partners or employees who work for University.
 - C. Any outside interest that may interfere with or compromise his/her judgment and objectivity with respect to his/her responsibilities to the University.
12. If Contractor fails to perform properly its obligations under this Contract or violates any term of this Contract, University shall have the right to terminate this Contract immediately and withhold payments in excess of fair compensation for completed services. Contractor shall not be relieved of liability to the University for damages sustained by breach of this Contract by Contractor.
13. It is understood by Contractor that University will possess all rights to any creations, inventions, other intellectual property, and materials, including copyright or patents in the same, which arise out of, are prepared by, or are developed in the course of Contractor's performance under this Contract. Contractor and University acknowledge and agree that Contractor's work under this Contract shall belong to University as "work-made-for hire" (as such term is defined in U.S. Copyright Law).